

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Medical Review Division regarding a medical fee dispute between the requestor and the respondent named above.

## **I. DISPUTE**

1.
  - a. Whether there should be additional reimbursement for date of service 04/06/01?
  - b. The request was received on 03/06/02.

## **II. EXHIBITS**

1. Requestor, Exhibit 1:
  - a. TWCC-60a/b and Letter Requesting Dispute Resolution dated 05/03/02
  - b. UB-92s
  - c. EOBs
  - d. Reimbursement data
  - e. Medical Records
  - f. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.
2. Respondent, Exhibit 2:
  - a. TWCC-60 and Response to a Request for Dispute Resolution dated 05/20/02
  - b. Reimbursement data
  - c. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.
3. Per Rule 133.307 (g)(3), the Division forwarded a copy of the requestor's 14-day response to the insurance carrier on 05/08/02. Per Rule 133.307 (g)(4), the carrier representative signed for the copy on 05/10/02. The response from the insurance carrier was received in the Division on 05/20/02. Based on 133.307 (i) the insurance carrier's response is timely.
4. Notice of Medical Dispute is reflected as Exhibit #3 of the Commission's case file.

### **III. PARTIES' POSITIONS**

1. Requestor: letter dated 05/03/02  
“(Provider) appropriately billed all other related charges in accordance with the Health Care Financing Administration Procedure Coding System (HCPCS) and provided the appropriate documentation in support of these charges.”
2. Respondent: letter dated 05/20/02  
“(Carrier’s) payment is consistent with the fair and reasonable criteria established in Section 413.011(b) of the Texas Labor Code.”

### **IV. FINDINGS**

1. Based on Commission Rule 133.307(d)(1&2), the only date of service eligible for review is 04/06/01.
2. The provider, an ambulatory surgery center (ASC), billed a total of \$2,435.66 on the date of service in dispute.
3. The carrier reimbursed a total of \$397.80 and its EOB has the denial “M – THE REIMBURSEMENT FOR THE SERVICE RENDERED HAS BEEN DETERMINED TO BE FAIR AND REASONABLE BASED ON BILLING AND PAYMENT RESEARCH AND IS IN ACCORDANCE WITH LABOR CODE 413.011(B) – FAIR AND REASONABLE REIMBURSEMENT FOR THIS ENTIRE BILL IS MADE ON THE ‘OR SERVICE’ LINE ITEM.”
4. The amount in dispute per the TWCC-60 is \$2,037.86. The difference between the billed amount and the amount reimbursed.

### **V. RATIONALE**

The medical documentation indicates the services were performed at an ambulatory surgery center. Commission Rule 134.401(a)(4) states ASCs, “shall be reimbursed at a fair and reasonable rate...”

Section 413.011(d) of the Texas Labor Code states, “Guidelines for medical services must be fair and reasonable and designed to ensure the quality of medical care and to achieve effective medical cost control. The guidelines may not provide for payment of a fee in excess of the fees charged for similar treatment of an injured individual of an equivalent standard of living and paid by that individual or by someone acting on that individual’s behalf. The Commission shall consider the increased security of payment afforded by this subtitle in establishing the fee guidelines.”

Commission Rule 133.304(i)(1-4) places certain requirements on the carrier when reducing the billed amount to fair and reasonable. The carrier has submitted its methodology and satisfied the requirements of the referenced Rule.

Commission Rule 133.307(g)(3)(D) requires the provider to supply documentation that discusses, demonstrates, and justifies that the payment amount being sought is a fair and reasonable rate of reimbursement. The provider has submitted several EOBs from other carrier that show a higher percentage of the billed amount reimbursed. The provider uses these EOBs as examples of fair and reasonable reimbursement.

Regardless of the carrier's response, carrier methodology or application of its methodology, under the Act, there must be specific statutory authorization to create liability through waiver. The burden is on the provider to show that the amount of reimbursement requested is fair and reasonable and conforms to the criteria identified in Sec. 413.011(d) of the Texas Labor Code.

To establish entitlement to additional reimbursement the provider's has submitted EOBs showing a higher rate of reimbursement from other carriers. However, the willingness of some carriers to provide reimbursement at or near the billed amount does not necessarily document that the billed amount is fair and reasonable and does not show how effective medical cost control is achieved, a criteria identified in Sec. 413.011(d) of the Texas Labor Code. Therefore, based on the documentation available for review, the Requestor has not established entitlement to additional reimbursement.

The above Findings and Decision are hereby issued this 7<sup>th</sup> day of August 2002.

Larry Beckham  
Medical Dispute Resolution Officer  
Medical Review Division